

BELLSOUTH TELECOMMUNICATIONS, INC

APPENDIX C  
WORKPAPER 28  
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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: LightGate® 2 Service  
Rate Element: Per System (HFSCE)  
Plan C  
73 to 96 Months

14 TOTAL UNIT INVESTMENT	\$58,283.79
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$9,124.03
19 Cost of Money	\$4,958.63
20 Income Tax Expense	\$2,157.37
21 Total (LN18 + LN19 + LN20)	\$16,240.03
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$606.30
25 Administrative Expense	\$2,129.81
26 Ad Valorem and Other Taxes	\$719.09
27 Total (LN24 + LN25 + LN26)	\$3,455.20
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$19,695.23
31 NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$19,695.23
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$1,641.27
41 RATIO OF UNIT MONTHLY COSTS 42 TO INVESTMENT (LN35/LN14)	0.0282

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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 2 Service  
Rate Element: C.O. Channel Interface  
per DS3 (1PQEC)  
Month-to-Month

14 TOTAL UNIT INVESTMENT \$305.60

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$40.64  
19 Cost of Money \$23.88  
20 Income Tax Expense \$10.50  
21 Total (LN18 + LN19 + LN20) \$75.02

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$5.27  
25 Administrative Expense \$10.40  
26 Ad Valorem and Other Taxes \$3.82  
27 Total (LN24 + LN25 + LN26) \$19.49

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$94.51

31 NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$94.51

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$7.88

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0258

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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 2 Service  
Rate Element: C.O. Channel Interface  
per DS3 (1PQEC)  
Plan A  
24 to 48 Months

14	TOTAL UNIT INVESTMENT	\$305.60
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$35.70
19	Cost of Money	\$23.99
20	Income Tax Expense	\$10.56
21	Total (LN18 + LN19 + LN20)	\$70.25
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$5.27
25	Administrative Expense	\$10.40
26	Ad Valorem and Other Taxes	\$3.82
27	Total (LN24 + LN25 + LN26)	\$19.49
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$89.74
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$89.74
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$7.48
41	RATIO OF UNIT MONTHLY COSTS TO INVESTMENT (LN35/LN14)	0.0245

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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 2 Service  
Rate Element: C.O. Channel Interface  
per DS3 (1 PQEC)  
Plan B  
49 to 72 Months

14	TOTAL UNIT INVESTMENT	\$305.60
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$34.73
19	Cost of Money	\$23.93
20	Income Tax Expense	\$10.54
21	Total (LN18 + LN19 + LN20)	\$69.20
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$5.27
25	Administrative Expense	\$10.40
26	Ad Valorem and Other Taxes	\$3.82
27	Total (LN24 + LN25 + LN26)	\$19.49
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$88.69
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$88.69
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$7.39
41	RATIO OF UNIT MONTHLY COSTS	
42	TO INVESTMENT (LN35/LN14)	0.0242

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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 2 Service  
Rate Element: C.O. Channel Interface  
per DS3 (1PQEC)  
Plan C  
73 to 96 Months

14	TOTAL UNIT INVESTMENT	\$305.60
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$34.30
19	Cost of Money	\$23.91
20	Income Tax Expense	\$10.52
21	Total (LN18+LN19+LN20)	\$68.73
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$5.27
25	Administrative Expense	\$10.40
26	Ad Valorem and Other Taxes	\$3.82
27	Total (LN24+LN25+LN26)	\$19.49
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27)	\$88.22
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29+LN31)	\$88.22
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$7.35
41	RATIO OF UNIT MONTHLY COSTS TO INVESTMENT (LN35/LN14)	0.0241

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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 2 Service

Rate Element: C.O. Channel Interface  
per DS1 (1PQE1)  
Month - to - Month

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14	TOTAL UNIT INVESTMENT	\$161.57
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17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$21.42
19	Cost of Money	\$12.63
20	Income Tax Expense	\$5.54
21	Total (LN18 + LN19 + LN20)	\$39.59
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23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$2.80
25	Administrative Expense	\$5.47
26	Ad Valorem and Other Taxes	\$1.98
27	Total (LN24 + LN25 + LN26)	\$10.25
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29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$49.84
30	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
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33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$49.84
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35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$4.15
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41	RATIO OF UNIT MONTHLY COSTS	
42	TO INVESTMENT (LN35/LN14)	0.0257
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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 2 Service  
Rate Element: C.O. Channel Interface  
per DS1 (1PQE1)  
Plan A  
24 to 48 Months

14 TOTAL UNIT INVESTMENT \$161.57

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$18.85  
19 Cost of Money \$12.68  
20 Income Tax Expense \$5.57  
21 Total (LN18 + LN19 + LN20) \$37.10

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$2.80  
25 Administrative Expense \$5.47  
26 Ad Valorem and Other Taxes \$1.98  
27 Total (LN24 + LN25 + LN26) \$10.25

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$47.35

31 NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$47.35

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$3.95

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0244

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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 2 Service

Rate Element: C.O. Channel Interface  
per DS1 (1PQE1)  
Plan B  
49 to 72 Months

14 TOTAL UNIT INVESTMENT

\$161.57

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense

\$18.33

19 Cost of Money

\$12.65

20 Income Tax Expense

\$5.54

21 Total (LN18 + LN19 + LN20)

\$36.52

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense

\$2.80

25 Administrative Expense

\$5.47

26 Ad Valorem and Other Taxes

\$1.98

27 Total (LN24 + LN25 + LN26)

\$10.25

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)

\$46.77

31 NON-INVESTMENT RELATED UNIT COSTS

\$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)

\$46.77

35 TOTAL UNIT MONTHLY COSTS (LN33/12)

\$3.90

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14)

0.0241



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Service Name: LightGate® 2 Service  
Rate Element: C.O. Channel Interface  
per DS1 (1PQE1)  
Plan C  
73 to 96 Months

14 TOTAL UNIT INVESTMENT	\$161.57
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$18.10
19 Cost of Money	\$12.64
20 Income Tax Expense	\$5.54
21 Total (LN18+LN19+LN20)	\$36.28
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$2.80
25 Administrative Expense	\$5.47
26 Ad Valorem and Other Taxes	\$1.98
27 Total (LN24+LN25+LN26)	\$10.25
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27)	\$46.53
31 NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29+LN31)	\$46.53
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$3.88
41 RATIO OF UNIT MONTHLY COSTS 42 TO INVESTMENT (LN35/LN14)	0.0240

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1 RECURRING UNIT COST DEVELOPMENT -  
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Service Name: LightGate® 2 Service  
Rate Element: Customer Channel Interface,  
per DS3 (1PQEP)  
Month - to - Month

14 TOTAL UNIT INVESTMENT	\$326.29
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$136.28
19 Cost of Money	\$26.51
20 Income Tax Expense	\$11.32
21 Total (LN18 + LN19 + LN20)	\$174.11
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$1.95
25 Administrative Expense	\$11.90
26 Ad Valorem and Other Taxes	\$4.01
27 Total (LN24 + LN25 + LN26)	\$17.86
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$191.97
31 NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$191.97
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$16.00
41 RATIO OF UNIT MONTHLY COSTS 42 TO INVESTMENT (LN35/LN14)	0.0490

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Service Name: LightGate® 2 Service  
Rate Element: Customer Channel Interface,  
per DS3 (1PQEP)  
Plan A  
24 to 48 Months

14 TOTAL UNIT INVESTMENT	\$326.29
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$87.52
19 Cost of Money	\$27.80
20 Income Tax Expense	\$11.88
21 Total (LN18 + LN19 + LN20)	\$127.20
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$1.95
25 Administrative Expense	\$11.90
26 Ad Valorem and Other Taxes	\$4.01
27 Total (LN24 + LN25 + LN26)	\$17.86
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$145.06
31 NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$145.06
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$12.09
41 RATIO OF UNIT MONTHLY COSTS 42 TO INVESTMENT (LN35/LN14)	0.0370

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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 2 Service  
Rate Element: Customer Channel Interface,  
per DS3 (1 PQEP)  
Plan B  
49 to 72 Months

14	TOTAL UNIT INVESTMENT	\$326.29
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$77.77
19	Cost of Money	\$27.41
20	Income Tax Expense	\$11.75
21	Total (LN18 + LN19 + LN20)	\$116.93
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$1.95
25	Administrative Expense	\$11.90
26	Ad Valorem and Other Taxes	\$4.01
27	Total (LN24 + LN25 + LN26)	\$17.86
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$134.79
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$134.79
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$11.23
41	RATIO OF UNIT MONTHLY COSTS TO INVESTMENT (LN35/LN14)	0.0344

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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 2 Service  
Rate Element: Customer Channel Interface,  
per DS3 (1PQEP)  
Plan C  
73 to 96 Months

14	TOTAL UNIT INVESTMENT	\$326.29
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$73.58
19	Cost of Money	\$27.13
20	Income Tax Expense	\$11.60
21	Total (LN18 + LN19 + LN20)	\$112.31
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$1.95
25	Administrative Expense	\$11.90
26	Ad Valorem and Other Taxes	\$4.01
27	Total (LN24 + LN25 + LN26)	\$17.86
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$130.17
	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$130.17
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$10.85
41	RATIO OF UNIT MONTHLY COSTS TO INVESTMENT (LN35/LN14)	0.0332

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1 RECURRING UNIT COST DEVELOPMENT -  
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Service Name: LightGate® 2 Service  
Rate Element: Customer Channel Interface.  
per DS1 (1PQE2)  
Month - to - Month

14 TOTAL UNIT INVESTMENT	\$172.98
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$72.24
19 Cost of Money	\$14.05
20 Income Tax Expense	\$6.02
21 Total (LN18+LN19+LN20)	\$92.31
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$1.03
25 Administrative Expense	\$6.28
26 Ad Valorem and Other Taxes	\$2.09
27 Total (LN24+LN25+LN26)	\$9.40
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27)	\$101.71
NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29+LN31)	\$101.71
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$8.48
41 RATIO OF UNIT MONTHLY COSTS 42 TO INVESTMENT (LN35/LN14)	0.0490

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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 2 Service  
Rate Element: Customer Channel Interface,  
per DS1 (1PQE2)  
Plan A  
24 to 48 Months

14 TOTAL UNIT INVESTMENT

\$172.98

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense	\$46.38
19 Cost of Money	\$14.72
20 Income Tax Expense	\$6.34
21 Total (LN18 + LN19 + LN20)	\$67.44

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense	\$1.03
25 Administrative Expense	\$6.28
26 Ad Valorem and Other Taxes	\$2.09
27 Total (LN24 + LN25 + LN26)	\$9.40

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)

\$76.84

NON-INVESTMENT RELATED UNIT COSTS	\$0.00
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33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$76.84
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35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$6.40
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41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14)	0.0370
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Service Name: LightGate® 2 Service  
Rate Element: Customer Channel Interface,  
per DS1 (1PQE2)  
Plan B  
49 to 72 Months

14 TOTAL UNIT INVESTMENT	\$172.98
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$41.23
19 Cost of Money	\$14.53
20 Income Tax Expense	\$6.23
21 Total (LN18 + LN19 + LN20)	\$61.99
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$1.03
25 Administrative Expense	\$6.28
26 Ad Valorem and Other Taxes	\$2.09
27 Total (LN24 + LN25 + LN26)	\$9.40
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$71.39
NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$71.39
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$5.95
41 RATIO OF UNIT MONTHLY COSTS 42 TO INVESTMENT (LN35/LN14)	0.0344



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Service Name: LightGate® 2 Service  
Rate Element: Customer Channel Interface,  
per DS1 (1PQE2)  
Plan C  
73 to 96 Months

14 TOTAL UNIT INVESTMENT	\$172.98
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$39.00
19 Cost of Money	\$14.38
20 Income Tax Expense	\$6.17
21 Total (LN18 + LN19 + LN20)	\$59.55
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$1.03
25 Administrative Expense	\$6.28
26 Ad Valorem and Other Taxes	\$2.09
27 Total (LN24 + LN25 + LN26)	\$9.40
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$68.95
31 NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$68.95
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$5.75
41 RATIO OF UNIT MONTHLY COSTS	
42 TO INVESTMENT (LN35/LN14)	0.0332

BELLSOUTH TELECOMMUNICATIONS, INC

APPENDIX C  
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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate 2 Service  
Rate Element: Local Channel  
Each Add'l Half Mile (1LPEA)  
MTM and All CSPP Periods

14 TOTAL UNIT INVESTMENT \$9,785.68

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$487.08  
19 Cost of Money \$1,021.21  
20 Income Tax Expense \$453.00  
21 Total (LN18 + LN19 + LN20) \$1,961.29

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$82.19  
25 Administrative Expense \$412.67  
26 Ad Valorem and Other Taxes \$118.40  
27 Total (LN24 + LN25 + LN26) \$613.26

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$2,574.55

NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$2,574.55

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$214.55

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0219

BELLSOUTH TELECOMMUNICATIONS, INC.

APPENDIX C  
WORKPAPER 2C  
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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service  
Rate Element: Per System (HFSCF)  
Month-to-Month

14 TOTAL UNIT INVESTMENT \$119,280.55

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$31,451.59  
19 Cost of Money \$9,737.32  
20 Income Tax Expense \$4,238.86  
21 Total (LN18 + LN19 + LN20) \$45,427.77

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$1,374.63  
25 Administrative Expense \$4,406.99  
26 Ad Valorem and Other Taxes \$1,352.20  
27 Total (LN24 + LN25 + LN26) \$7,133.82

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$52,561.59

31 NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$52,561.59

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$4,380.13

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0367

BELLSOUTH TELECOMMUNICATIONS, INC.

APPENDIX C  
WORKPAPER 2C  
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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service  
Rate Element: Per System (HFSCG)  
Plan A  
24 to 48 Months

14	TOTAL UNIT INVESTMENT	\$119,280.55
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$22,004.56
19	Cost of Money	\$9,978.29
20	Income Tax Expense	\$4,346.77
21	Total (LN18 + LN19 + LN20)	\$36,329.62
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$1,374.63
25	Administrative Expense	\$4,406.99
26	Ad Valorem and Other Taxes	\$1,352.20
27	Total (LN24 + LN25 + LN26)	\$7,133.82
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 - LN27)	\$43,463.44
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$43,463.44
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$3,621.95
41	RATIO OF UNIT MONTHLY COSTS TO INVESTMENT (LN35/LN14)	0.0304

BELLSOUTH TELECOMMUNICATIONS, INC

APPENDIX C  
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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service

Rate Element: Per System (HFSCG)  
Plan B  
49 to 72 Months

14 TOTAL UNIT INVESTMENT \$119,280.55

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$20,115.72  
19 Cost of Money \$9,902.66  
20 Income Tax Expense \$4,312.90  
21 Total (LN18 + LN19 + LN20) \$34,331.28

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$1,374.63  
25 Administrative Expense \$4,406.99  
26 Ad Valorem and Other Taxes \$1,352.20  
27 Total (LN24 + LN25 + LN26) \$7,133.82

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$41,465.10

NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$41,465.10

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$3,455.43

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0290

BELLSOUTH TELECOMMUNICATIONS, INC

APPENDIX C  
WORKPAPER 2C  
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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: LightGate® 3 Service  
Rate Element: Per System (HFSCG)  
Plan C  
73 to 96 Months

14 TOTAL UNIT INVESTMENT \$119,280.55

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$19,306.63  
19 Cost of Money \$9,845.58  
20 Income Tax Expense \$4,267.25  
21 Total (LN18 + LN19 + LN20) \$33,439.46

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$1,374.63  
25 Administrative Expense \$4,406.99  
26 Ad Valorem and Other Taxes \$1,352.20  
27 Total (LN24 + LN25 + LN26) \$7,133.82

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$40,573.28

31 NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$40,573.28

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$3,381.11

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0283

BELLSOUTH TELECOMMUNICATIONS INC

APPENDIX C  
WORKPAPER 2C  
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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service  
Rate Element: C.O. Channel Interface  
per DS3 (1PQEC)  
Month - to - Month

14	TOTAL UNIT INVESTMENT	\$1,405.50
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$220.94
19	Cost of Money	\$105.43
20	Income Tax Expense	\$45.99
21	Total (LN18 + LN19 + LN20)	\$372.36
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$25.19
25	Administrative Expense	\$50.87
26	Ad Valorem and Other Taxes	\$17.80
27	Total (LN24 + LN25 + LN26)	\$93.86
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$466.22
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$466.22
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$38.85
41	RATIO OF UNIT MONTHLY COSTS TO INVESTMENT (LN35/LN14)	0.0276

BELLSOUTH TELECOMMUNICATIONS, INC.

APPENDIX C  
WORKPAPER 2C  
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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: LightGate® 3 Service  
Rate Element: C.O. Channel Interface  
per DS3 (1PQEC)  
Plan A  
24 to 48 Months

14 TOTAL UNIT INVESTMENT	\$1,405.50
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$181.88
19 Cost of Money	\$106.31
20 Income Tax Expense	\$46.38
21 Total (LN18 + LN19 + LN20)	\$334.57
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$25.19
25 Administrative Expense	\$50.87
26 Ad Valorem and Other Taxes	\$17.80
27 Total (LN24 + LN25 + LN26)	\$93.86
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$428.43
31 NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$428.43
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$35.70
41 RATIO OF UNIT MONTHLY COSTS 42 TO INVESTMENT (LN35/LN14)	0.0254



SELLSOUTH TELECOMMUNICATIONS, INC.

APPENDIX C  
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1 RECURRING UNIT COST DEVELOPMENT -  
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service  
Rate Element: C.O. Channel Interface  
per DS3 (1PQEC)  
Plan B  
49 to 72 Months

14 TOTAL UNIT INVESTMENT

\$1,405.50

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense

\$174.07

19 Cost of Money

\$105.93

20 Income Tax Expense

\$46.21

21 Total (LN18+LN19+LN20)

\$326.21

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense

\$25.19

25 Administrative Expense

\$50.87

26 Ad Valorem and Other Taxes

\$17.80

27 Total (LN24+LN25+LN26)

\$93.86

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27)

\$420.07

31 NON-INVESTMENT RELATED UNIT COSTS

\$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29+LN31)

\$420.07

35 TOTAL UNIT MONTHLY COSTS (LN33/12)

\$35.01

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14)

0.0249